

PANAMA:

On November 8, the presidential information office announced that the minister and vice minister of labor, Rolando Murgas and Luis Shirley, would be replaced by Adolfo Ahumada and Arnulfo Boutet, respectively. The new minister, Ahumada, is an influential member of the National Legislative Commission (in effect, Panama's day to day legislature), a member of the inner group of Panama's canal negotiating team, and a leftist former member of Panama's communist party. Boutet, by contrast, is a reported "moderate conservative", who moves from his post as governor of Chiriqui province.

The shift results from the need to dump Murgas, who had become a somewhat of a political liability. Murgas -- the architect of Panama's liberal labor code -- also presided over many labor dispute actions which were considered antimanagement and was therefore doubly disliked by business. Torrijos is presently seeking to foster good relations with the oligarchy linked business community, most of which still has a basic mistrust of the Panamanian strongman. His fence-mending efforts have highlighted meetings and seminars between government spokesmen and business representatives. Murgas ouster is part of this dialog effort -- which has been ~~exacerbated~~ prompted by Torrijos' concern for maintaining domestic tranquility since he knows he will probably have to wait until 1977 for a breakthrough in the treaty negotiations, ~~and~~ with tighter economic times possible in the interim.

Management has therefore certainly hoped that Murgas would go ~~and~~ the US Embassy feels that the Ahumada-Boutet team will ~~Approved For Release 2002/01/02 : CIA-RDP77M00144R000300010010-0~~ be a gain by the business community, with

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Ahumada's leftist cast ~~balanced~~ balanced by his reported pragmatism and Boutet's more moderate style. However, business will undoubtedly take a long hard look at this new duo -- to see whether Ahumada's leftist ~~leanings~~ leanings are really countered when it comes down to practical matters. Business recognizes that Murgas did not operate in a vacuum and that the ~~government's~~ ministry's pro-labor stance resulted as much from Torrijos regarding labor as one of his natural new constituencies supporting his leadership. It is Ahumada's leftist credentials which make him acceptable to labor and Torrijos has an interest in preserving them and the appearance of a leftist , "revolutionary" regime.

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